

STATE OF MINNESOTA
Department of Commerce

Bulletin 92-6

Issued this 16th day
of November, 1992

TO: ALL WORKERS' COMPENSATION INSURERS LICENSED IN MINNESOTA

At its September board meeting, the Minnesota Workers' Compensation Reinsurance Association (WCRA) determined that \$100 million was to be distributed to its members. The money was from investment earnings of the WCRA. You should have received your portion of those funds by now.

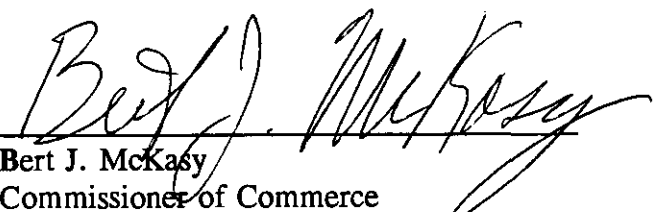
As the return of these funds was not contemplated in your rate filings nor by the Legislature as part of this year's workers' compensation legislation, those monies are in excess of what your rate filings indicated were necessary to cover your expenses and earn a reasonable return. The legislature's purpose in creating the WCRA in 1979 and this year's workers' compensation reform legislation, Chapter 510, was to reduce the cost of workers' compensation insurance in Minnesota. To comply with that legislative intent the \$100 million refund which the WCRA has just made must be passed on to policyholders. In this year's workers' compensation legislation as well as past legislation the preferred legislative method has been a direct refund to the policyholder. Accordingly, all of the WCRA refund must be distributed to Minnesota policyholders. You may deduct your actual costs of making the refund which may not exceed \$25 per refund check. You cannot comply with the refund requirement by adjusting your rate filing. You must actually refund the monies to policyholders.

The refund to Minnesota policyholders must be made no later than December 25, 1992 and shall be based upon the total workers' compensation premium earned for calendar year 1991.

To calculate each Minnesota policyholder's refund, you will first determine the total 1991 Minnesota earned workers' compensation premium. Each Minnesota policyholder's percentage of that total premium will then be determined. That percentage will then be applied to the amount of the refund from the WCRA to determine the actual amount of each policyholder's refund.

Proof of compliance shall be filed with the Department by February 1, 1993. The proof of compliance should be certified by an officer of the insurer and indicate the total refund received, the total distributed, the cost of distribution and the distribution date. Any rate filing made after the rate filing freeze expires on April 1, 1993 will be deemed to be an incomplete filing if the proof of compliance has not been filed.

Any questions about this bulletin should be directed to Mr. Ron Meuser, Department of Commerce, 133 East Seventh Street, St. Paul, MN 55101. Mr. Meuser's telephone number is (612) 297-5849.


Bert J. McKasy
Commissioner of Commerce